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Tonight
Center @ 7:00
Water Mtg

511971
21 ¹⁵ box
(100)



Id North & Pac RR
Gen Manager RR
Neil Cox
962-0481

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NEOS DD

**Northeast Oregon Alliance
Rural Action Plan**

Background

The Rural Investment Fund was established by the 1995 Legislature and signed into law by Governor Kitzhaber. Administrative Rules for the fund were adopted on October 6, 1995. The Northeast Oregon Alliance region was awarded \$651,687 for projects, technical assistance and staffing.

According to the Administrative Rules, "The objective of the Rural Investment Fund is to provide a flexible source of funding to help rural areas finance locally-determined Economic and Community Development Projects. It is intended to provide a vehicle by which Regional Boards can leverage other funding sources to the maximum extent possible to improve the economies of rural areas."

The Northeast Oregon Alliance (NEO Alliance) Board was charged with task of creating a rural action plan. The board developed this plan and held public hearings on The board adopted this plan

The Northeast Oregon Alliance Board has reviewed its membership and has determined that the board members adequately represent the interests of rural areas within the region.

Input of Rural Areas

The Northeast Oregon Alliance Board held community input sessions in Milton-Freewater, Hermiston, Pendleton, Elgin, Union, La Grande, Joseph, Wallowa, and Enterprise to gather input from the rural areas. County governing bodies, cities, special districts, the Confederated Tribes of the Umatilla Indian Reservation, Workforce Quality Committee staff from Regions 12 and 13, county and city planning departments, chambers of commerce, development organizations, and community planning contacts were invited to these sessions. In addition, press releases inviting the public to attend and participate in these sessions were sent to newspapers and radio stations within the region. Input from these meetings was incorporated into the plan and can be summarized as follows:.....

Existing strategic or community plans from Hermiston, Pendleton, Milton-Freewater, Union, Elgin, Union County, CAPECO, Region 12 and 13 Workforce Quality Committees, Port of Umatilla,, and Overall Economic Development Programs from the Greater Eastern Oregon Development Corporation and Northeast Oregon Economic Development District were reviewed to identify the priority needs of the region.

With the input of the rural areas and the information from the strategic plans, the Board developed the following vision statement:

The priorities of the rural areas as identified by the communities and the Board are:

- 1.
- 2.
- 3.

Project Solicitation Process

Projects will be solicited from businesses, the general public cities, counties, special districts, Workforce Quality Committees, and Indian tribes. The funding opportunity will be advertised in the East Oregonian, The Observer, the Hermiston Herald, the Valley Times and the Wallowa County Chieftain. Press releases will be delivered to radio stations and newspapers within the region. A notice of the application procedure will be sent to the direct mail list developed through the Regional Strategies process. (Staff will help to

develop projects and prepare applications for high priority projects.)

Projects will be solicited upon approval of the Rural Action Plan and the region will accept applications for a period of 60 days.

Evaluation and Funding Process

The Board will review projects as they are received. They will interview the top applicants. The Board will make its initial selection of projects for funding by October 1, 1996. If all funds are not obligated at that time, or if projects do not move ahead as scheduled, the board will develop a procedure to commit all of the region's funds prior to May 31, 1997.

The Northeast Oregon Alliance Board will utilize the following list of criteria to make its decisions. These criteria were all mandated by Administrative Rule.

1. The priorities of Rural areas that have the greatest economic challenges;
2. Whether monies from the Rural Investment Fund will fill a gap in financing for programs and projects;
3. The extent to which monies from the Rural Investment Fund will leverage other resources by bringing in public or private partnerships;
4. The degree to which applicants for funding have established measurable economic outcomes that can demonstrate, through specific Performance Measurements, progress towards achievement of the goals and objectives of the Rural Investment Fund.

The Northeast Oregon Alliance will not fund projects that include activities in the following list as they are prohibited by Administrative Rule:

1. Retirement of any debt.
2. Payments for expenses incurred prior to approval of the Northeast Oregon Alliance's Rural Action Plan by the State of Oregon.
3. Payments for, or substitutions of, local government expenditures for Existing or Continuing Public Services.
4. Relocation of a facility from one labor market within the State to another, if not accompanied by and expansion of the applicant's business or employment.

Staff

The Northeast Oregon Economic Development District, current staff for the region's board, will administer the Rural Action Plan and oversee financial operations of the region's Rural Investment Fund. The region's board has approved a strategy administration budget of \$65,000 for the biennium. NEOEDD will provide the following services for the regional board: overall plan administration, public outreach, project solicitation, board support, meeting preparation and minutes, contract development/monitoring/administration, fiscal management, project troubleshooting, community assistance, and preparation of periodic reports regarding the use of Rural Investment Funds.

DRAFT RURAL INVESTMENT FUND DESCRIPTION

January 30, 1995

PROPOSAL: Create a \$15 million Rural Investment Fund in the Oregon Economic Development Department to promote community and economic development in rural communities outside metropolitan urban growth boundaries. Decisions on funding will be made by expanded Regional Strategies Boards. The fund will be flexible enough to meet some of the unmet needs of Oregon's rural areas.

NEED: While the state's economy is growing at a healthy rate, a large part of rural Oregon is not keeping pace. Many programs do not have the flexibility to meet basic needs in rural communities: a health clinic in Powers or an industrial building in Burns and Myrtle Creek. These projects are essential for future economic development but have a hard time meeting the requirements of existing programs, particularly when immediate job creation is required. In addition, federal and state programs often require local match that is beyond the reach of smaller communities.

PROPOSAL HIGHLIGHTS:

- Funds will be allocated to the Regional Strategies Boards for community and economic development projects and services in rural communities, favoring regions with the greatest economic challenges. The Boards will be required to include appropriate representation of rural interests in their membership, including small communities and tribes. The Boards will update their 1993-99 economic development strategies to include a rural outreach and funding component.
- Rural Projects should be consistent with their approved regional strategy wherever possible, recognizing that the focus on key industries may not meet the needs of all rural communities in a region. Mutually agreed upon performance measures must be developed by the Boards and rural communities for each project.
- Regional Strategy Boards may designate a portion of these funds to hire staff for technical assistance to communities for developing and managing projects as well as to update their strategy.

EXPECTED RESULTS OF THE RURAL INVESTMENT FUND

- **A flexible funding source to address locally determined priorities** that may not be eligible for funding through other sources (e.g. Community Development Block Grants, Special Public Works Fund, Regional Strategies, etc.) Funds may be used as match to leverage other state and federal programs.
- **Draws on the local expertise and the existing plans of communities** who have already shown some initiative in addressing their own problems.
- **Maximizes the ability of rural communities to create partnerships** through a coordinated planning approach between communities, counties, regions and state agencies. A diverse team of agencies and organizations participated in developing and approving each existing strategy, including other state agencies, higher education, community colleges and workforce quality committees.
- **Prioritization of rural needs** will encourage all organizations (public and private, local and state) to target their resources.
- **Leverages President Clinton's NW Economic Adjustment Initiative funds** to serve rural areas statewide.